

VIRGINIA RESOURCES AUTHORITY
BOARD OF DIRECTORS
MINUTES OF THE REGULAR MEETING

The Board of Directors of the Virginia Resources Authority met on December 10, 2013, in the 18th Floor Meeting Room, 1111 E. Main Street, Richmond, Virginia.

Members Present

William G. O'Brien, Chair
John J. Aulbach II, P.E.
David Branscome
Randall P Burdette
Manju Ganeriwala
Thomas L. Hasty, III
Dena Frith Moore
James H. Spencer, III, Vice Chair
John H. Rust, Jr.

Members Absent

Barbara McCarthy Donnellan
Richard Weeks on behalf of David Paylor

Staff Present

Suzanne S. Long, Executive Director, Secretary to the Board
Jean Bass, Director of Policy & Intergovernmental Relations
Shawn Crumlish, Director of Debt Management
Peter D'Alema, Director of Program Management
Michael Cooper, Director of Administration
Jon McCubbin, Controller
Stephanie Jones, Fiscal Analyst/Compliance Officer
Rachael Logan, Administrative Manager

Others Present

James Traudt, Davenport & Company LLC
Ty Wellford, Davenport & Company LLC
Robert Hodges, McGuire Woods
Mary DiMartino, JP Morgan
Timothy Williams, JP Morgan
Vince Jannetti, JPMorgan
Howard Eckstein, Virginia Department of Health
Steve Pellei, Virginia Department of Health

Call to Order

Mr. William G. O'Brien, Chair, called the meeting to order at 10:02 a.m.

Approval of Agenda

Motion by Ms. Moore, seconded by Mr. Hasty, to approve the agenda as presented.

Motion carries unanimously.

Closed Meeting

Mr. O'Brien called for a motion to go into closed meeting to discuss personnel matters and consultation with legal counsel pertaining to ongoing litigation.

Motion by Mr. Hasty, seconded by Mr. Burdette, to go into closed meeting for (i) consultation with legal counsel employed or retained by the Authority regarding the actual litigation involving RSW Regional Jail Authority requiring the provision of legal advice by such counsel, as permitted by Section 2.2-3711A.7 of the Virginia Freedom of Information Act ("VFOIA"); and (ii) a discussion pertaining to the performance and salary of specific public officers, appointees, or employees, as permitted by Section 2.2-3711A.1 of the VFOIA.

A roll call vote resulted as follows:

Ayes: Mr. Aulbach, Mr. Branscome, Mr. Burdette, Ms. Ganeriwala, Mr. Hasty, Ms. Moore, Mr. Rust, Mr. Spencer and Mr. O'Brien.

Nays: None

Absent During Vote: Ms. Donnellan, Mr. Weeks.

Absent During Closed Meeting: Ms. Donnellan, Mr. Weeks.

Motion carries.

The Closed Meeting convened at 10:04 a.m.

Open Meeting

The Open Meeting reconvened at 11:11 a.m.

Motion by Mr. Branscome, seconded by Mr. Aulbach, to approve the following resolution:

Certification of Closed Meeting

WHEREAS, the Board of Directors (the "Board") of the Virginia Resources Authority (the "Authority") convened in closed meeting on December 10, 2013, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by the Virginia Freedom of Information Act were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

A roll call vote resulted as follows:

Ayes: Mr. Aulbach, Mr. Branscome, Mr. Burdette, Ms. Ganeriwala, Mr. Hasty, Ms. Moore, Mr. Rust, Mr. Spencer and Mr. O'Brien.

Nays: None.

Absent during vote: Ms. Donnellan, Mr. Weeks.

Absent during closed meeting: Ms. Donnellan, Mr. Weeks.

Motion carries.

Approval of Meeting Minutes

The Chair called for approval of the minutes of the Portfolio Risk Management Committee and Strategic Planning Committee meetings held September 9, 2013; and the Audit Committee and Board of Directors meetings held September 10, 2013.

There were no corrections or amendments to the minutes.

Motion by Mr. Rust, seconded by Ms. Moore, that the minutes of the Portfolio Risk Management Committee and Strategic Planning Committee meetings held September 9, 2013; and the Audit Committee and Board of Directors meetings held September 10, 2013, be approved.

Motion carries unanimously.

Executive Director's Report

Ms. Suzanne S. Long, Executive Director, highlighted various sections of her report noting that she attended the Council of Infrastructure Financing Authorities (CIFA) Conference in

November 2013 where she participated on a plenary session. Session discussions covered program updates from the U. S. Environmental Protection Agency and initiatives undertaken by other states. In addition, VRA participated in the 2013 Governor's Transportation Conference which provided the opportunity to discuss the Virginia Transportation Infrastructure Bank and VRA's Virginia Pooled Financing Program.

Ms. Long explained that VRA has ended its relationship with the loan servicing vendor, TechPG, for its Loan Servicing System. VRA has moved forward on its own to upgrade its original system and will keep the Board informed on the progress. She concluded her report stating that implementation of VRA's document management system is anticipated on January 1, 2014. This system was developed as part of the recent Quality Management Analysis project and will clean, update and organize VRA's current electronic filing system.

Ms. Long provided information on several items not included in her report. She explained that staff is in the process of determining a means to provide interim reports electronically and she mentioned the use of Drop Box, an electronic program designed for document review. Mr. Michael Cooper, Director of Administration, explained that staff is seeking an alternative method to provide the Board with information not associated with Board meetings, noting that using Board Docs requires the creation of a meeting. Several members of the Board were familiar with Drop Box. However, staff will continue to research Board Docs to determine if there is a means to provide independent documents.

Ms. Long reminded the Board that annual Conflict of Interest filings are due in January 2014. Mr. Michael Cooper, Director of Administration, will provide the necessary documents to the Board electronically and will be available to assist the Board members with completion of the documents.

Committee Reports

Audit Committee

Ms. Manju Ganeriwala, Chair of the Audit Committee, stated that the Committee held a meeting on Monday, December 9, 2013 and received updates on revisions to the Investment Policy and the Audit Committee Charter.

Mr. Jon McCubbin, Controller, distributed a revised Investment Policy. He explained that the overall intent for the revisions is to provide clarity, conform to and be consistent with VRA's Comprehensive Annual Financial Report (CAFR), and to adjust performance benchmarks to better match VRA's cash flow. Mr. McCubbin continued that staff consulted with the Government Financial Officers Association (GFOA) best practices, reviewed the Commonwealth's Investment Policy, and worked with the Virginia Department of Treasury's Investment Officer and VRA's Investment Advisor. Afterwards, staff concluded it would be best to totally rebuild the policy. However, he noted that the substantive items remained the same, such as investment objectives, safety liquidity and return, and standards of care. Minor changes were made to authorized investments and credit quality. Mr. McCubbin stated that staff did change the presentation and the language of the policy to ensure that it conformed to best

practices, changed some of the funds to make them better aligned with the CAFR, and changed benchmarks to help maximize earning potential.

Mr. McCubbin made available a Memorandum that was provided to the Audit Committee outlining key revisions. He highlighted changes relating to the scope of the Investment Policy, delegation of authority and responsibilities, credit quality standards, diversification formatting, maturity limitations and duration targets, and standards of investment performance.

Ms. Ganeriwala stated that the Audit Committee recommends approval of the Investment Policy as presented.

Motion by Mr. Branscome, seconded by Mr. Hasty, to approve the Investment Policy as presented.

The motion carried unanimously.

Ms. Ganeriwala continued that staff received input from the Committee relative to the Audit Committee Charter. Staff will incorporate the proposed revisions and present a revised Charter for consideration of approval at the March 2013 meeting of the Committee.

Ms. Ganeriwala concluded that staff reported on the ARMICS survey, noting that 10 of 13 staff members responded. The majority of the responses showed that VRA has a good ethics culture and follows best practices for internal control.

Strategic Planning Committee

Mr. John H. Rust, Jr., Chair of the Strategic Planning Committee, stated that the Committee met on December 9, 2013 with Mr. Greg Brittingham of the Virginia Commonwealth University (VCU) Performance Management Group. Mr. Brittingham presented a proposed plan and scope of work that will be used in 2014 to develop a Strategic Plan for VRA. Mr. Rust explained that over the next three months four groups will be surveyed and asked to rate VRA and the services provided by VRA. The groups to be surveyed are current borrowers, potential local borrowers, agency or state partners, and financial partners. The Committee reviewed the survey questions to ensure that they would capture the information needed.

Mr. Rust continued that VCU will conduct a series of focus groups after the surveys have been returned, to review the responses and determine opinions of VRA. Mr. Brittingham will return to the Committee in March with a compilation of information from the surveys and focus groups. Afterwards, the Committee will hold a half-day session to discuss strengths and weaknesses and staff will meet independently to provide feedback, as well. The Committee will hold an additional meeting in May 2014 to further review and discuss all feedback from the focus groups, Committee and staff. Mr. Rust commented that Mr. Brittingham will be meeting with staff in June and July 2014, with periodic updates to the Committee, to develop recommendations for a Strategic Plan. A draft Strategic Plan will be developed and discussed in August 2014 by the Committee, and will be presented to the Board in September 2014 for consideration and approval.

Mr. Rust concluded that the final Strategic Plan will be circulated to those asked to participate in the survey and focus groups so that they will be able to see how their participation contributed to the development of the Plan. The Committee is satisfied with progress to date and the schedule of activity moving forward and believes the result will be a viable plan.

Portfolio Risk Management Committee (PRMC)

Ms. Dena Frith Moore, Chair of the Portfolio Risk Management (PRMC), stated that the Committee met on December 9, 2013. Ms. Moore stated that there are three items PRMC would like to share with the Board, none of which require action.

- 2013C VPFP: Mr. Peter D'Alema, Director of Program Management, provided an overview of the 2013C Virginia Pooled Financing Program (VPFP) transaction, noting that it is the smallest sale in VPFP history. It included seven loans for a total of \$25.1 million in bond sales. The transaction took place on November 6, 2013 on behalf of 6 local government borrowers, and covered seven of VRA's authorized project areas. The sale further included both tax-exempt and taxable Infrastructure Revenue Bonds and State Moral Obligation Bonds. He continued that the All-In True Interest Cost was very favorable. In addition, he stated that VRA was able to maintain its AAA and AA ratings on the infrastructure bonds.

Mr. D'Alema explained that the transaction was completed on a negotiated basis, with underwriters, JP Morgan, Senior Manager, and Loop Capital Markets, co-manager. He introduced Mr. Timothy Williams, Ms. Mary DiMartino, and Mr. Vince Jannetti of JP Morgan, all of whom were instrumental in making the transaction successful.

Mr. Williams thanked the Board for the opportunity to work with VRA, noting that the success of the sale is a testament to VRA's staff and financial team. He stated that the market settled at the time of the sale of the bonds after being unfavorable with increasing interest rates throughout the year. He concluded that he looks forward to a continuous relationship with VRA.

Mr. D'Alema continued the presentation on the 2013C transaction, noting that there were three new borrowers that help to diversify the portfolio. In addition, there were two refunding borrowers, with Fairfax County being the largest borrower in the 2013C issuance. He shared a chart showing the overall VPFP Portfolio summary of the top ten borrowers representing 39% of the local loan volume in the VPFP after the 2013C transaction. Mr. D'Alema concluded by sharing a chart outlining VPFP issuance activity over the last four years and Moral Obligation debt capacity as of September 30, 2013.

Mr. O'Brien stated that staff has advised him that JP Morgan performed outstandingly on the 2013C VPFP transaction and he thanked them on behalf of the Board for their hard work.

- Town Portfolio: Ms. Moore continued there has been discussion relative to town financial performance across VRA's loan portfolio. Based on information provided by staff, town borrowers, on average, compare favorably to existing underwriting guidelines given the way towns are managed and financed. The analysis provides staff with additional information on which to benchmark new potential town borrowers. The Committee asked staff to consider various ways to document the process used to evaluate whether or how to make loans to certain borrowers, such as towns so that staff is consistent in applying underwriting criteria.
- Loan Monitoring and Compliance: Ms. Moore concluded by referencing the loan monitoring update provided to the PRMC. Staff, she said, should be commended for their good monitoring and compliance work. There were no questions for staff at the meeting.

Personnel Committee

Mr. Thomas L. Hasty, III, Chair of the Personnel Committee, stated that the Committee met this morning to consider an item for closed meeting.

He then read the following resolution recommended by the Committee for Board approval.

Whereas, Suzanne Long as Director of the Virginia Resources Authority has provided stellar leadership and direction to the VRA; and

Whereas, this Board desires to recognize such achievements and efforts.

Therefore, I hereby move that the Virginia Resources Authority provide the following compensation and benefits to Suzanne Long:

1. A bonus of \$12,800 to be payable to her within 30 days of separation.
2. For a period of up to twelve (12) months beginning in the month following the termination of her employment with the VRA, Suzanne Long may elect to continue under the VRA's health plan if allowable and for each month that she elects to participate, the VRA will contribute on her behalf an amount of up to \$1,082 per month.

Mr. Rust moved, and Mr. Aulbach seconded, that the above-stated resolution providing for separation pay and health benefits for Suzanne Long be approved.

Motion carried unanimously.

Old Business

Mr. O'Brien informed the Board that at her request, Ms. Dena Frith Moore will no longer serve on the Personnel Committee.

New Business

After discussion, it was the consensus of the Board to set the 2014 VRA Board of Directors and Committee meetings as follows: June 9 and 10, September 8 and 9, and December 8 and 9. Staff will survey the Board to determine dates for the meetings in March as several Board members will not be available on March 10 and 11 as recommended by staff.

Mr. O'Brien explained that staff and the Board held discussions at the March 2013 meeting relative to establishing an Investment Committee. He asked Board members to think about the need for an Investment Committee and whether they wish to serve on the Committee if established. A decision will be made at the March 2014 meeting of the Board.

Mr. James H. Spencer, III, Vice Chair, stated that everyone will be receiving an invitation to the Southwestern Virginia Region Legislative reception to be held on January 16, 2014 at the Omni Hotel.

Public Comment Period

There was no public comment.

Adjournment

Prior to adjournment Mr. O'Brien made the following comments.

Mr. O'Brien noted that this is the last Board meeting Ms. Long will be serving as Executive Director. He applauded her for her exceptional service, noting it has been a pleasure working with her, and she will be sorely missed.

Ms. Long stated that she has enjoyed serving VRA and the Commonwealth of Virginia. She complemented the members for the intellect and experience they bring to the Board. Ms. Long concluded by thanking Mr. O'Brien and the Board for their support to her and to the staff, noting this has been a great experience.

Mr. O'Brien asked staff to consider arranging the meeting room to allow the Board to have contact with staff and visitors during the meetings.

Mr. O'Brien wished the Board and staff a Happy Holidays and a healthy and productive New Year. He stated that it has been a great experience to work with members of the Board and staff.

Motion by Mr. Burdette, seconded Mr. Hasty to adjourn.

The motion carries unanimously.

The meeting adjourned at 12:03 p.m.

The next meeting of the Board of Directors will be held in March 2014.

William G. O'Brien, Chair
Board of Directors

Suzanne S. Long, Executive Director
Secretary to the Board of Directors

VIRGINIA RESOURCES AUTHORITY
AUDIT COMMITTEE
MINUTES OF THE REGULAR MEETING

The Audit Committee of the Virginia Resources Authority met on December 9, 2013, in the 18th Floor Meeting Room, 1111 E. Main Street, Richmond, Virginia.

Members Present

Manju Ganeriwala, Chair
David Branscome
Howard Eckstein on behalf of John J. Aulbach, II
Dena Frith Moore
John H. Rust, Jr.
James H. Spencer, III (arrived at 1:16 p.m.)
William G. O'Brien, Ex Officio

Members Absent

None

Other Board Members Present

Randall P Burdette

Staff Present

Suzanne S. Long, Executive Director, Secretary to the Board
Jean Bass, Director of Policy & Intergovernmental Relations
Shawn Crumlish, Director of Debt Management
Peter D'Alama, Director of Program Management
Jon McCubbin, Controller
Joseph Bergeron, Senior Financial Analyst
Stephanie Jones, Fiscal Analyst/Compliance Officer
Rachael Logan, Administrative Manager

Others:

None.

Call to Order

The meeting was called to order by Ms. Manju Ganeriwala, Chair of the Audit Committee, at 12:40 p.m.

Approval of Agenda

Motion made by Ms. Moore, seconded by Mr. Rust, to approve the agenda as it stands.

Motion carries unanimously.

Welcome

Ms. Ganeriwala welcomed Mr. Randall P Burdette to the Audit Committee meeting. She stated that Mr. Burdette, no longer a member of the Audit Committee, was a member of the Committee in June 2013 when revisions to the Audit Committee Charter were first discussed. She invited Mr. Burdette to this meeting to give him the opportunity to participate in further discussions.

VRA's Investment Policy

Ms. Ganeriwala stated that staff has done an extensive review of VRA's Investment Policy and she asked Mr. Jon McCubbin, Controller, to update the Committee. Mr. McCubbin began by thanking VRA's Executive Director, Suzanne Long, Mr. Shawn Crumlish, Director of Debt Management, and Mr. Joseph Bergeron, Senior Financial Analyst, for their input during the review process of the Policy.

Mr. McCubbin stated that there are two main drivers influencing proposed changes to the Policy. They are clarity and consistency with VRA's Comprehensive Annual Financial Report (CAFR) and the adjustment of performance benchmarks to better match VRA's cash flows. In developing proposed amendments to the Policy, the staff reviewed the Government Financial Officers Association (GFOA) best practices, the Commonwealth's Investment Policy and consulted with the Virginia Department of Treasury Investment Officer and VRA's Investment Advisor, PFM. As a result of these consultations, staff concluded it would be best to rebuild the Policy. Staff followed GFOA best practices' Sample Investment Policy and did not change substantive items pertaining to investment objectives, investment types, diversification limits, and custodial risk. Mr. McCubbin explained that the main changes were made to language in the Policy in order to conform with GFOA best practices. He also noted that funds managed by VRA were updated to better align with the CAFR. Bond related investments that fall outside the scope of the Policy were updated to clarify they are governed by the Trust Indentures.

Mr. McCubbin referenced the Investment Policy Memorandum to the Audit Committee, dated December 9, 2013, that highlights the explanation of the proposed changes, a copy of the draft Policy, and the Policy that is currently active. He began by stating that language was added to define the roles of the VRA Board.

Mr. O'Brien asked how were the roles of the Board defined under Delegation of Authority and Responsibilities, and how is the Board covered. Mr. Michael Cooper, Director of Administration, explained that Board members are covered under VRA's liability insurance. During discussion, it was noted that VRA may not have the same liability insurance coverage for its Board as that provided to members of other state boards. Mr. Burdette explained that VRA enjoys the benefits of being a quasi-state agency, but may not enjoy the same direct risk management of other state agencies. Mr. Cooper will research VRA's liability insurance for the Committee and report back.

Prior to the vote on the Investment Policy, Ms. Long shared information regarding VRA's risk liability policy as it pertains to the Board of Directors. The policy allows VRA Board Directors to enjoy sovereign immunity as long as they act in good faith. Attorney's fees are included. Ms. Ganeriwala will confirm the Board's liability coverage and report to the Committee.

Mr. McCubbin continued noting that one of the most substantive changes was adding asset-backed securities to authorized investments which will include mortgage backed securities. The investment type will be restricted to high-quality investments (AAA or higher). He reviewed the Credit Quality section, and Prohibited Investments was placed after the section on Downgraded Securities. The Committee recommended that under "Prohibited Investments" on page 6 of the revised policy, that a statement be added, *(i) The following investments are strictly prohibited: (delineated in Policy)*. Also, under "Prohibited Investments" on page 6, the following disclaimer was made: *"Any security not strictly authorized herein and not otherwise prohibited above must be approved in advance, in writing, by the Executive Director, the Investment Officer, and the Chairman of the Board."*

Questions arose relative to Section IV, Safekeeping and Custody, on page 8, and investment securities held as collateral on deposits. It was the consensus that the first sentence be deleted.

Mr. James H. Spencer, III arrived at 1:16 p.m.

There was discussion relative to liability insurance as shown in the last paragraph on page 2. Afterwards, Mr. McCubbin continued with revisions to the Investment Policy relating to diversification, maturity limitations and duration targets, standards of investment performance, and the document as a whole which is better aligned with GFOA best practices and industry practice.

The Committee mentioned the need for an Investment Committee to monitor the Investment Policy and portfolio.

Motion by Mr. Spencer, seconded by Mr. Branscome, that the Audit Committee recommends to the Board approval of the Investment Policy, subject to edits recommended by the Committee.

Motion carried unanimously.

Audit Committee Charter

Mr. Jon McCubbin, Controller, stated that during the Audit Committee meeting held in June 2013, which included External Auditor, Brown Edwards and Company, staff was asked to review the Committee Charter and make recommended changes to define the roles of external audit, internal audit, ARMICS, and Risk Management. In addition, staff was asked to remove items that were more procedural in nature thus eliminating the need to amend the Charter frequently. He stated that staff reviewed GFOA Best Practices and sample Audit Committee Charters from Deloitte LLP and from the Institute of Internal Auditors during this process. As a

result, opportunities were recognized to strengthen the policy and more clearly categorize the roles of the Committee to better align with the Committee's responsibilities relating to external audit, internal audit, ARMICS, and Risk Management.

Mr. McCubbin referenced the Audit Committee Charter Memorandum to the Audit Committee, dated December 9, 2013, outlining key revisions to the Charter as well as a copy of the updated Audit Committee Charter.

Mr. Burdette offered the following suggested changes for consideration.

- Refer to Virginia Resources Authority as "VRA" rather than the "Authority" in the document.
- Section I, Organization: change to read: the *majority* of the Committee will constitute a quorum.
- Section II, Statement of Purpose and Authority: add a paragraph "a." for "purpose"; and a paragraph "b" for "authority". Numbers (iv) and (v) are one in the same.
 - Paragraph 2: Is this needed and if it is needed should it go under "Specific Responsibilities"
 - Paragraph 3: Becomes paragraph "b" because purpose is "a"
 - Paragraph 4: Pages 1 and 2, Change to "*VRA will fund the Audit Committee in the performance of its duties.*" Delete last sentence.
- Section III, Meetings: Change to read: "*The Audit Committee must meet at least semi-annually and as needed to meet the requirements listed below.*"
- Section IV, Specific Responsibilities: List the five responsibilities from page 1 under "Purpose" in this section.
 - Page 3, last paragraph, last sentence, change to read, "The current means available to those reporting complaints and concerns, *such as...*"

Staff was asked to incorporate edits, as outlined, for review by the Committee at its March 2014 meeting.

Old Business

Mr. McCubbin stated that staff reported on the ARMICS review in September 2013, noting that there were no findings or material items noted. He stated as part of the ARMICS review, the Committee asked that staff input be documented in a survey. He stated that 10 of 13 staff responded to the survey and the majority of the responses showed that VRA has a good ethics culture and follows best practices for internal control. Mr. McCubbin provided the Committee with copies of the survey results.

New Business

There was no new business.

Public Comment Period

There was no public comment.

Adjournment

There being no further business to come before the Committee, the meeting adjourned at 2:02 p.m.

The next meeting of the Audit Committee will be held in March 2014.

Manju Ganeriwala, Chair

Suzanne S. Long, Executive Director
Secretary to the Board of Directors

VIRGINIA RESOURCES AUTHORITY

STRATEGIC PLANNING COMMITTEE MINUTES OF THE REGULAR MEETING

The Strategic Planning Committee of the Virginia Resources Authority met on December 9, 2013, in the 18th Floor Meeting Room, 1111 E. Main Street, Richmond, Virginia.

Members Present

John H. Rust, Jr., Chair
David Branscome
Randall P Burdette
Dena Frith Moore
James H. Spencer, III
William G. O'Brien, Ex Officio

Other Members Present

Mr. Thomas L. Hasty, III (arrived at 2:30 p.m. for PRMC)

Members Absent

None

Staff

Suzanne S. Long, Executive Director, Secretary to the Board
Jean Bass, Director of Policy & Intergovernmental Relations
Shawn Crumlish, Director of Debt Management
Peter D'Alema, Director of Program Management
Jon McCubbin, Controller
Kimberly Adams, Program Manager
Stephanie Jones, Fiscal Analyst/Compliance Officer
Rachael Logan, Administrative Manager

Others

Arthur Anderson, McGuireWoods LLP, Bond Counsel
James Traudt, Davenport & Company LLC
Ty Wellford, Davenport & Company LLC
Greg Brittingham, VCU Performance Management Group
Katrina Riddick, Strategic Solutions Center

Call to Order

The meeting was called to order by Mr. John Rust, Jr., Chair, at 2:07 p.m.

Approval of Agenda

Motion by Ms. Moore, seconded by Mr. Branscome, to approve the agenda as presented.

The motion carried unanimously.

Strategic Planning Presentation

Mr. Rust introduced VRA's consultant for the strategic planning process, Mr. Greg Brittingham of Virginia Commonwealth University's Performance Management Group.

Mr. Brittingham stated that the strategic planning process is anticipated to be completed by September 2014. He highlighted the strategic planning schedule noting that it will include facilitated sessions with Committee members to provide general direction. Afterwards he will work with the staff to put together implementation strategies for the next five years.

Strategic Planning Schedule

Mr. Brittingham continued noting that Phase 1 is completed and consisted of project design and scope of work approval. Phase 2, he said, will include online surveys and meetings with focus groups to probe some of the suggestions and issues that surface in the survey and also one-on-one interviews with key individuals to obtain more detailed information. Phase 3 is anticipated to include up to three sessions with the Committee to facilitate discussion relating to the Authority's vision, mission, future needs, and perceived opportunities and threats.

After discussion by the Committee, Committee members agreed that a meeting for a half day in March 2014 and sometime in May 2014 may be required to complete Phase 3 of the strategic planning process.

Mr. Brittingham stated that Phase 4 will include design and planning sessions with VRA staff relative to strengths and weaknesses which will complement the opportunities and threats defined by the Committee. This discussion will result in the development of an action plan that will be shared with the Committee and staff for revisions.

Mr. Burdette suggested, however, that Mr. Brittingham obtain separate SWOT analyses from staff and the Committee. Afterwards a comparison can be done and a course of action will be developed. He further suggested that the staff SWOT analysis be conducted first.

Mr. O'Brien stated that in reviewing the goals and priorities for VRA, Phase 4, over the next five years that consideration be given to the charges given to VRA from the General Assembly.

Mr. Brittingham concluded that Phase 5 (August) will include development of a straight forward Strategic Plan document based on information obtained and direction from the Committee. Hopefully, the Committee will be able to recommend approval to the Board in September 2014. Phase 6 will include plan monitoring and updating.

In response to Ms. Moore, staff will provide the Committee with a written statement outlining the General Assembly's charge to VRA during each discussion of the strategic planning process.

In response to Mr. Rust, Ms. Jean Bass, Director of Policy & Intergovernmental Relations, stated that VRA has not proposed any legislation on its own. However, she stated that pre-filed bills are being reviewed and VRA is aware of some bills that may be filed that may regard VRA partners or local government borrowers or regard debt generally but nothing that appears to change project areas or funding for VTIB and similar projects.

It was noted that the feedback from staff after the action document is distributed will be included in Phase 5. Mr. Burdette suggested that a thank you be provided to those who participated in the strategic planning process. Ms. Bass responded that the survey instruments to be distributed to stakeholders will include a letter explaining that responses to the survey will assist VRA in serving them better. Survey recipients will be notified when the process is complete.

Mr. Branscome questioned whether borrowers will have the opportunity to make themselves known. Discussion transpired relative to borrowers being given the opportunity to request additional information thereby revealing their identity. Mr. Brittingham said that opportunity would be provided for borrowers to communicate with PMG.

Draft Survey

Mr. Brittingham continued his presentation stating that four distinct survey instruments were developed. These surveys are designed to obtain information from VRA's current borrowers, communities that have never borrowed (potential borrowers), governmental partners and financial partners.

Mr. Brittingham reviewed the questions relating to the current borrowers survey that included open ended responses as well as questions that rate VRA and VRA services. Mr. Burdette stated that many only know a portion of what VRA funds and suggested that a drop box be provided showing current project areas eligible for financing. Mr. Burdette noted that listing these areas may result in encouraging new customers and receiving a better response to the question about how well do you know VRA. Mr. Brittingham concluded that a drop box can be utilized.

In response to Mr. Rust, Mr. Brittingham stated that the responses to open ended questions on the survey are tabulated by content analysis.

Mr. Hasty arrived for the Portfolio Risk Management Committee at 2:30 p.m.

There was discussion relative to expanding open ended questions perhaps utilizing a process similar to a comment box.

Mr. O'Brien stated that localities frequently receive questionnaires and the shorter the survey the better.

Discussions and comments evolved regarding each of the four surveys with members providing recommendations for deletions and additions to survey questions.

Mr. Spencer left the meeting at 2:46 p.m.

Survey Recipients

Ms. Stephanie Jones, Fiscal Analyst/Compliance Officer, stated that survey recipients were divided into four categories. They are current borrowers in all loan programs, communities that have never borrowed, governmental partners, and local government consultants like financial advisors, bankers, underwriters, accountants, engineers, bond counsels, etc. She provided a comprehensive list to Committee members and asked that staff be notified of particular individuals or organizations any member wished added to the list.

Next Steps

Mr. Brittingham stated that the next step is to distribute the survey. The targeted distribution date is January 2014. He noted that the surveys will be revised based on today's discussion.

Mr. Rust concluded that the staff will determine a half day in late March 2014 for the Committee to meet to discuss survey results.

Old Business

There was no old business.

New Business

There was no new business.

Public Comment Period

There was no public comment.

Adjournment

Motion by Mr. Burdette, seconded by Ms. Moore, to adjourn.

The motion was approved unanimously.

The meeting adjourned at 2:57 p.m.

The next meeting of the Strategic Planning Committee will be held March 2014.

John H. Rust, Jr., Chair

Suzanne S. Long, Executive Director
Secretary to the Board of Directors

VIRGINIA RESOURCES AUTHORITY
PERSONNEL COMMITTEE
MINUTES OF THE REGULAR MEETING

The Personnel Committee of the Virginia Resources Authority met on December 10, 2013, in the 18th Floor Meeting Room, 1111 E. Main Street, Richmond, Virginia.

Committee Members Present

Thomas L. Hasty, III, Chair
Randall P Burdette (arrived 9:09 a.m.)
Dena Frith Moore
William G. O'Brien, Ex Officio

Committee Members Absent

Barbara McCarthy Donnellan
Richard Weeks on behalf of David Paylor

Other Members Present

David Branscome (arrived at 9:16 a.m.)
John H. Rust, Jr.

Staff

Suzanne S. Long, Executive Director, Secretary to the Board
Jean Bass, Director of Policy & Intergovernmental Relations
Michael Cooper, Director of Administration
Peter D'Alema, Director of Program Management
Jon McCubbin, Controller
Rachael Logan, Administrative Manager

Others

Phyllis Katz, Sands Anderson PC

Call to Order

The meeting was called to order by Mr. Thomas L. Hasty, III, Chair, at 9:04 a.m.

Approval of Agenda

Motion by Ms. Moore, seconded by Mr. O'Brien, to approve the agenda as submitted.

Motion carries unanimously.

Closed Session

Mr. Hasty called for a motion to go into closed meeting.

Motion by Mr. O'Brien, seconded by Ms. Moore, to go into closed meeting for a discussion pertaining to the performance and salary of specific public officers, appointees, or employees, as permitted by Section 2.2-3711A.1 of the Code of Virginia of 1950, as amended.

A roll call vote resulted as follows:

Ayes: Ms. Moore, Mr. O'Brien, Mr. Rust and Mr. Hasty.

Absent during vote: Mr. Branscome, Mr. Burdette, Ms. Donnellan, Mr. Weeks.

Absent during closed meeting: Ms. Donnellan, Mr. Weeks.

The closed meeting convened at 9:05 a.m.

Mr. Randall P Burdette arrived at 9:09 a.m., and Mr. David Branscome arrived at 9:16 a.m.

Open Meeting

The open meeting reconvened at 9:31 a.m.

The Executive Director read the following resolution for approval:

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Personnel Committee of the Board of Directors (the "Committee") of the Virginia Resources Authority (the "Authority") convened a closed meeting on December 10, 2013, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Committee that such closed meeting was conducted in conformity with Virginia law;

NOW THEREFORE, BE IT RESOLVED that the Personnel Committee of the Board of Directors of the Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by the Virginia Freedom of Information Act were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Committee.

Motion by Ms. Moore, seconded by Mr. Burdette, that the above-stated resolution certifying closed meeting be approved.

A roll call vote on the motion resulted as follows:

Ayes: Mr. Branscome, Mr. Burdette, Mr. Hasty, Ms. Moore, Mr. O'Brien, and Mr. Rust.

Nays: None.

Absent during vote: Ms. Donnellan, Mr. Weeks.

Old Business

There was no old business.

New Business

There was no new business.

Public Comment

There was no public comment.

Adjournment

Motion by Ms. Moore, seconded by Mr. Burdette, to adjourn.

Motion carried unanimously.

The meeting adjourned at 9:35 a.m.

No date was set for the Committee's next meeting.

Thomas L. Hasty, III, Chair

Suzanne S. Long, Executive Director
Secretary to the Board of Directors